



Reform to Reinvention

Dear Friend,

Last January I shared a reform agenda that my colleagues and I in the Senate would be pursuing. December marks the final month in 2010 and I want to recap these important reforms and discuss where we are headed in the future.

Our reform proposal centered on the need to rein in government at all levels. First and foremost is putting state employees' salaries and benefits on par with private sector employees.

We were successful in reforming school and public employee retirement benefits to achieve savings of \$3.6 billion over the next decade. We also cut legislative office budgets 12% over the past three years, and balanced the \$1.2 billion Fiscal Year (FY) 2011 budget deficit with cuts and reforms — and without raising taxes or fees.

We stood firm against attempts to increase regulations and raise job-killing taxes by more than a billion dollars. We need to create a climate that fosters job creation and paves the way for entrepreneurs.

I am looking forward to working with the new administration to move an agenda for job-growth, reining in government spending, and reinventing Michigan.

Voters proved they are ready for change. I am excited and energized to help usher in a new Michigan. If 2010 was dubbed the "Year of the Reform," 2011 will be the "Year of Reinvention."

Sincerely,

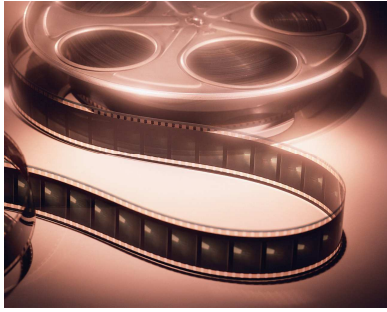
John Pappageorge

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Senate report questions if film credits are worth \$193,000 per job

The Senate Finance Committee heard from Senate Fiscal Agency officials about their issue paper on the state's film credits, which are estimated to have cost taxpayers more than \$193,000 per direct job created in 2009.

The report again raised questions about the effectiveness of the film production credit. SFA economist David Zin wrote in the paper that the state "will never be able to make the credit 'pay for itself' from a state revenue standpoint."

According to the data, the film credits are less effective than previously thought, bringing the state only 11 cents back for each dollar given away in credits. Michigan is expected to pay out more than \$137 million in refundable film credits for the past two years but is estimated to only receive roughly \$14 million in revenue. Nearly half of the private-sector spending resulting from the credits went out-of-state.

The report makes it clear that the Legislature's fiscal responsibility to all taxpayers depends on increased transparency and disclosure.

Two film credit transparency measures, Senate Bills 796 and 889, were recently passed by the Legislature. Senate Bill 796 requires the Michigan Film Office to place on its website, twice a year, a detailed report that includes the number of people employed in Michigan by eligible productions, how many were state residents, and the total number of hours worked.

SB 889 amends the revenue act to give the Michigan Film Office the authority to release information related to the film production credit, the film infrastructure credit and the film jobs training tax credit. This is critical, because without amending the revenue act, the film office will be legally unable to share the tax credit information.

SB 796 would also require the state film office to send a copy of each post-production certificate of completion to the governor, president of the Michigan Strategic Fund, the House and Senate fiscal agencies and the chairpersons of the Senate Finance and House Tax Policy committees.

These measures build upon the Michigan Economic Growth Authority transparency measures enacted last year (Public Acts 124-126 of 2009).

These data will help my colleagues and I more closely follow the costs and benefits associated with film credits in order to help us make the most of this and other programs in the future.

Winter fun for the whole family



Are you looking for fun activities for you and the family this winter? Don't let the snow on the ground stop you from experiencing all Michigan's winters have to offer. Pure Michigan, Michigan's official travel and tourism site, has plenty of ideas. From an inexpensive day trip to a week-long stay at our state's finest ski resorts, there is something for everyone.

www.Michigan.org

*Merry Christmas & Happy Holidays
to you and yours!*



End of Year Update & District Office Hours

Please Note: The Senate will be closing offices in order to move new legislative members in and transition returning members into their new offices. Therefore, our office will be closed from Monday, December 22nd until Monday, January 3rd during this transition period. Services will still be available online but correspondence will not be received until our return in January. In the meantime, please visit my website at www.SenatorJohnPappageorge.com to locate resources of interest.

District Office Hours

District office hours will be held on Saturday, December 18th at the following times and locations:

Troy

9 a.m. to 11 a.m.
Troy Community Center
3179 Livernois

Birmingham

noon to 2 p.m.
Baldwin Public Library
300 W. Merrill St

Royal Oak

3 to 5 p.m.
Royal Oak Public Library
222 W. 11 Mile Road

Comments? Questions?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

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